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INTERNATIONAL CITY MANAGERS' ASSOCIATION
1313 EAST 60TH STREET - CHICAGO 37, ILLINOIS

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SUPPLYING FIRE PROTECTION SERVICE OUTSIDE THE CITY

On what basis should a city provide fire protection service to outside areas and how should the charge be determined?

Outside fire protection service should not be confused with mutual aid. Outside service is supplied by one municipality to another or to individuals and corporations outside of the city limits with or without compensation. The area requesting such aid from a city generally has no fire protection service of its own and therefore cannot reciprocate as in the case of mutual aid.

Home owners and industries in unincorporated areas outside of the city generally look to the city for fire protection service, partly to obtain low fire insurance rates and partly to avoid the high cost of maintaining such service for a small area. These fringe areas outside the cities were growing rapidly before the war. Since the end of the war this out-of-the-city trend has been renewed. It is not surprising therefore that the officials of many cities are considering the possibility of either discontinuing outside fire service or adopting charges to cover costs.

Clearly the first obligation of city officials is to the people in the city. If the city has sufficient men and equipment there may be good reasons why the city should furnish outside aid. It is difficult to refuse to answer outside alarms for fires that may involve plants at which many people living in the city are employed and which also may threaten city property. Many cities answer outside fire calls with no contract or agreement, and of course no charge, on the basis that the good will created by such service warrants it. While a city is dependent to some extent on rural areas surrounding it, there is no legal or moral obligation on the part of the city to provide fire service to people who have elected to live outside the city limits and who do not pay taxes or contribute to the support of the fire department. These considerations must be weighed by city officials in reviewing their present policy in providing fire protection outside the city.

Factors to Consider. It is assumed here that the municipality has been answering out-of-the-city calls and has therefore settled such questions as: (1) Does the city have the legal right to use apparatus outside its boundaries? (2) Are firemen protected with regard to compensation, injury, and pension in case of accident occurring outside the city and resulting in injury to firemen? (3) Are the men and the city protected in case of liability or property damage suits resulting from injury or damage while apparatus is outside the city? (4) Is the city protected against damage to equipment? (5) What is the maximum number or length of runs that can be permitted without materially reducing local fire protection in the municipality? (6) Does the city have the proper equipment suitable for rural use?

In regard to question 5, for example, small cities that have only one or two pieces of fire apparatus probably should not respond to outside fire calls unless arrangements have been made with another municipality to furnish protection immediately in case of a fire. Another plan is for the county or a fire protection district to purchase fire apparatus to be manned and maintained by the city.

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In any event, the city should make certain through the underwriter's rating bureau that arrangements to provide outside service will not result in additional deficiency points.

Current practice on some of the above questions varies from state to state because of state laws or court decisions. Cities in states where municipal leagues have made surveys of outside fire protection service may secure additional information from their league. These states include Arkansas, Louisiana, North Carolina, Pennsylvania, Virginia, and Wisconsin. A discussion of the legal problems, the type of equipment needed, and practices in selected cities may be found in the volume Municipal Fire Administration (International City Managers' Association, 1946). pp. 130-142.

Basis of Charge. When the municipality has settled all of these questions satisfactorily, the next question is whether a charge should be made and on what basis. There is a definite trend toward making a charge for such service, and it is suggested that the service be placed on a self-supporting basis. According to the 1946 Municipal Year Book approximately one-third of the cities over 10,000 population charge for outside fire service. Among the cities over 250,000 two out of every five make a charge, while in the 50,000 to 100,000 population group one out of four cities charge for outside service. Among methods used for determining the charge are a flat rate per year or per alarm, a flat readiness-to-serve charge plus a fixed fee for each run, an hourly charge for each piece of equipment, and an annual charge based on the taxable value of the property in the outside area plus additional charges to cover insurance and other costs.

The flat rate plan is used by Columbus, Ohio, and Indianapolis, Indiana, in supplying fire protection service to small incorporated towns which do not have fire departments. Cincinnati bases its charge for this type of service on the assessed valuation of the municipality, the charge being one mill per dollar of assessed valuation, except in the case of fire protection districts where the charge is two mills per dollar. Cincinnati also charges a preliminary fee of \$50, and a flat annual fee of \$100 to each municipality that enters into a contract for outside aid.

Minneapolis levies a fixed annual charge of \$3 per \$10,000 of assessed valuation of real and personal property. In addition, if the applicant for outside service is a governmental unit the minimum fee of \$100 must be paid annually in advance (\$50 for a corporation and \$12 for an individual); and immediately after response to a fire or fire alarm the city bills the governmental unit--or the individual or corporation, as the case may be--an additional amount for personnel, apparatus, and other equipment furnished, labor and equipment charges being billed on an hourly basis. Minneapolis also requires a surety bond to guarantee payment of charges and to reimburse and indemnify the city for damages to equipment and to meet claims for injuries to persons.

Another method of computing charges for outside service is used by Ferndale, Michigan (22,523) in supplying fire service to Pleasant Ridge (4,000), an adjoining residential city having no fire department. The Ferndale fire department budget excluding new equipment amounted to \$87,920 for the year ending June 30, 1946. From this sum, \$750 for fire alarm repairs was deducted because the fire alarm does not serve Pleasant Ridge, while \$3,118 was added as depreciation on equipment, computed at 6-2/3 per cent on a 15-year equipment life. This made a total budget of \$90,288 of which Pleasant Ridge's share was \$12,676, or 14.04 per cent. The allocation factor--14.04 per cent-- is the average of 13.5 per cent (Pleasant Ridge's share of the total water meters in

the two cities); 13.18 per cent (its share of the total area); and 15.45 per cent (its share of the total assessed valuation). Then from this \$12,676 was deducted: (1) \$457.50 for Pleasant Ridge's lower insurance rating attributed mainly to the lack of a fire alarm system (\$457.50 represents a 20-year amortization of the cost of a 25-box system); (2) 15 per cent of \$12,676 for the absence of industrial risks in that city; and (3) 5 per cent of \$12,676 for better hydrant spacing in Pleasant Ridge. These deductions left a net cost of \$9,867 for Pleasant Ridge.

The cost of providing outside fire service can be estimated by analyzing all fire costs for in-city operations. Some of the costs that should be considered are outlays for operation and maintenance, depreciation on buildings and equipment, cost of new buildings and equipment, outlays for pensions, and overhead costs for legal, accounting, personnel, and purchasing services. The particular items of cost to be included depend upon the type of arrangement to be set up. Once the costs assignable to the outside fire service are totaled up, the charge may be levied on a per run basis, per \$1,000 of assessed valuation, or by some other measure.

The Agreement or Contract. The city council must determine not only the policy as to when outside aid shall be given, but also the manner in which it shall be provided. It is generally advisable to provide fire service beyond the city limits only under a definite contract with the governing body of each area to be served (assuming that such units have authority to enter into such contract), or with individual property owners or associations. Such written contracts or agreements are preferable to responding to requests for help with or without charge, or to depending upon donations from those who are aided, because such donations generally are not forthcoming.

The usual procedure is for the city council to pass an ordinance authorizing service outside of the city limits. The next step is the preparation of a contract or agreement between the municipality and the governmental unit or individual for such service. It may be advisable to provide in the ordinance or contract that no service shall be given beyond a certain distance outside the city limits. Other provisions that may be included in a contract are indicated below and in the Winnetka and Saginaw agreements issued as a supplement to this report.

Contracts With Other Governmental Units. The contract may be in the form of an ordinance to apply to any outside municipality which adopts a resolution agreeing to its provisions; or a separate contract may be entered into with each governmental unit desiring fire service. Among such units are fire protection districts established under authority of state law. Such districts often enter into agreements with cities for fire service. Agreements also may be made with a county or with a municipality that has no fire department.

Agreements for aid to other governmental units generally are made for an indefinite period. Some cities provide that the agreement can be terminated on written notice by either party. Minneapolis, for example, provides that contracts for an indefinite term are subject to cancellation by either party on 30 days notice. The agreement specifies the person or persons who have the authority to make calls for service. In other words, is the home owner to call the city fire department direct or must calls be placed through an official of the town or district? It is preferable of course that citizens in the outlying area be authorized to call the fire department direct. In any event, it should be clear that the outside governmental unit is responsible and will pay for the run.

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Typical agreements with other local governments are a Portland, Oregon, contract with a fire district and a Saginaw, Michigan, agreement with a township (see supplement for Saginaw agreement). Portland provides service on a contract basis to outlying towns, fire protection districts, and individuals. In the case of individuals a deposit of \$300 must be made in advance and against this the city charges \$150 for the first hour and \$100 for each subsequent hour for each piece of apparatus answering the alarm. Fire protection districts have a choice of two methods: (1) an annual stand-by charge of \$500 a year to be paid in advance plus \$75 per hour for each piece of equipment answering the alarm or, (2) payment of a sum equal to not less than two mills for each dollar of assessed valuation of all taxable property in the district. A proposal to increase the latter amount to four mills is being considered. The Portland agreement defines the area and the property to be served and its location; specifies the term of the agreement and the amount to be paid; provides that the dispatcher or commanding officer on duty when an alarm is received exercise his judgment as to the amount and type of equipment which may be needed and can be spared from the city; makes the provision of water supply and hydrants the responsibility of the district; requires the district to file with the city a map showing the location and surface condition of all streets in the district, the location and size of all water mains, the location of hydrants, and the approximate location of all buildings. The city agrees that firemen shall visit the district from time to time to become familiar with the streets, the location of hydrants, and obtain such other information as may be needed.

Written Agreements With Owners or Tenants. Among the cities which provide outside fire service to individual owners or tenants on a contract basis are Winnetka, Illinois; Albany, Georgia; and Cleveland, Ohio. In Winnetka (12,-430) property owners in a closely built-up area obtain their water supply from Winnetka and in this connection must sign an agreement for fire service (see supplement to this report) and also sign an agreement for fire hydrant service at \$25 a year. The property owners generally carry a rider on their fire insurance policies at an additional premium of \$3 a year to cover the payment of any charges for fire calls. In Albany, Georgia (19,055), the premium is \$1.50 a year to cover payment of \$100 to the city for each call answered. Owners of manufacturing plants outside the city must petition the city and agree to pay for the laying of a water main to the property and also pay a flat fee ranging from \$10 to \$50 a month for fire protection service.

In Cleveland, Ohio, corporations or individuals outside the city must apply in writing for service and submit a plat showing the location of all buildings. If the safety director approves, a one-year contract is signed. The city also agrees to make periodic inspections and provide plant protection service if needed. The charge for service is two mills per dollar on the total assessed value of the property.

If the area outside the city limits is chiefly rural farm property it may not be desirable to enter into written contracts with each property owner. Ames, Iowa (12,555), after three years' experience abandoned the use of the contract form because of the administrative expense involved in making and renewing contracts. The city had undertaken to serve an area of about six miles outside the city in which there are approximately 500 farm properties. Ames now answers calls at \$25 per run regardless of the distance or time spent. The property owner can carry insurance to cover this charge. If neither the property owner nor the insurance company pays the charge within a reasonable time the city bills the local chamber of commerce which has agreed to underwrite payment of charges to secure the good will of the local trade territory.

VILLAGE OF WINNETKA
WINNETKA, ILLINOIS

Agreement for Fire Protection Service

Date _____ 19____

The undersigned, {owner}*
 {tenant} of the premises known and described as

No. _____ located outside the corporate limits of the Village of Winnetka, hereby applies for fire protection service to be rendered by the Village of Winnetka to the above described premises, pursuant to Section 790 of the Municipal Code of the Village of Winnetka and upon the following express terms and conditions:

1. The Village of Winnetka will furnish fire protection service to the above mentioned premises by responding to fire calls with a motor-driven pumper truck manned with a sufficient number of firemen for effective use.

2. No response will be made by the Winnetka Fire Department to fire calls to the above mentioned premises in case of prior or coincident fire calls involving property located in the Villages of Winnetka or Kenilworth or if, for any reason, in the judgment of the officer then in charge at headquarters of the Winnetka Fire Department, such response would jeopardize fire protection to the Village of Winnetka.

3. The undersigned will be responsible for all fire calls, by whomsoever made, by which the Winnetka Fire Department is called upon to render fire extinguishing service at or upon the premises above mentioned and all such fire calls shall be regarded as authorized by and made on behalf of the undersigned.

4. For the said services to be so furnished by the Winnetka Fire Department in response to any fire call which may be received from any person reporting a fire at said premises, the undersigned hereby agrees to pay the village of Winnetka the amount of One Hundred Fifty Dollars (\$150.00) for the first hour or fraction thereof, that the fire apparatus so responding is away from headquarters, and the amount of One Hundred Dollars (\$100.00) for each additional hour or fraction thereof, that said fire apparatus so responding is away from headquarters.

5. It is expressly agreed that the Village of Winnetka shall not be held liable for any claims made because of injury to the public or damage to any property which may occur while the Winnetka Fire Department or any members thereof are working at a fire upon the above described premises.

6. This agreement may be terminated by either the Village of Winnetka or the undersigned upon thirty days written notice, and it may also be terminated by the Village of Winnetka in case of failure of the undersigned to make payment to the Village of Winnetka within twenty days after the date of any bill rendered by said Village for said fire protection service.

7. The undersigned, if a tenant, agrees to notify the Village of Winnetka, in advance, of any change of occupancy of said premises, or if the owner, of any change in ownership.

Accepted:
Village of Winnetka

(Signed) _____

*Owner-Tenant (Cross out one)

By _____
Village Manager

Mailing Address _____

(Do not write in this space)

Owner _____ Mailing Address _____

Tenant _____ Mailing Address _____

No. of Buildings _____ Hydrant No. _____ Distance _____

Agreement Received _____ Fire Department Notified _____

Board of Underwriters Notified _____

Remarks _____

FIRE PROTECTION AGREEMENT BETWEEN A CITY AND TOWNSHIP

THIS AGREEMENT Made this 1st day of July, A.D. 1942, by and between the City of Saginaw, a municipal corporation of the County of Saginaw and State of Michigan, hereinafter referred to as the City, and the Township of Zilwaukee, a governmental subdivision of the County of Saginaw and State of Michigan, hereinafter referred to as the Township.

WITNESSETH:

WHEREAS, The Township has applied to the City for the extension of fire protection service by the Fire Department of the City to the Township, and it has been mutually agreed between the City and the Township that it is for the common interest of the City and the Township that such service be rendered in a manner hereinafter set forth, now, therefore, in consideration of the mutual promises and agreements herein contained.

IT IS MUTUALLY AGREED, as follows:

1. The city covenants and agrees to furnish to the Township the same degree of fire protection service for the protection of the property within the Township as is furnished to the property owners within the limits of the City, subject to the conditions and limitations hereinafter specified, and subject to existing conditions, including distance, alarm service, available water, etc. This agreement shall cover all property in the Township.

2. In the event that the Chief of the Fire Department of the City shall, in his discretion, determine that such an emergency exists within the limits of the City that the use of fire apparatus outside the City would materially interfere with the adequate protection of property within the limits of the City, the City shall be relieved of and from all obligation under this contract to furnish fire protection to the property within the Township. Said determination shall be solely in the discretion of the Chief of the Fire Department.

3. It is further mutually agreed that the City may furnish fire protection service to other townships and that the annual cost to the City for insurance adequately protecting the City in the furnishing of fire protection beyond the Saginaw City limits, including public liability, property damage, collision and workmen's compensation insurance, shall be repaid by the Township and the other townships entering the fire protection contracts, but each such township shall annually pay its proportionate share of the cost of such insurance protection as mentioned herein to be determined by the number of calls made by the Fire Department of the City to every such township during each year this contract is in force. All payments due hereunder shall be paid on or before August 1 of each year commencing August 1, 1943.

4. It is further mutually agreed that whenever the City shall furnish the use of any fire apparatus by and under the terms of this agreement, the Township shall and hereby does agree to pay to the City the sum of Seventy-five (\$75.00) Dollars for the first hour or fraction thereof and a sum at the rate of Fifty (\$50) Dollars per hour or fraction thereof for each hour thereafter for each and every fire company, said time being figured from the time said fire company leaves its station until said fire company returns to its station, and the further sum of Ten (\$10) Dollars for each and every mile or fraction thereof traveled by each and every fire company responding to any fire alarm in the Township, said mileage to be computed from the station of the fire company or companies called to the location of the fire.

5. It is further mutually agreed that the Township shall deposit in advance with the City Treasurer an annual minimum sum of Seven Hundred Fifty (\$750.00) Dollars. The said sum shall be deposited as security with the City Treasurer and shall be retained by the City as an annual minimum service charge; and it is further agreed that should the service charges for any one year ending July 2 exceed the annual minimum charge, then and in that event the Township shall pay in addition to the annual minimum charge all such additional charges, such additional payments due hereunder shall be paid on or before August 1 of each year commencing August 1, 1943.

6. It is further mutually agreed that this contract may be terminated as follows: (a) In event the said sum of Seven Hundred Fifty (\$750) Dollars to be deposited by the Township shall not be deposited in advance, the City shall have the right, on fifteen days' written notice to the Township, to declare this contract null and void. (b) The City or the Township shall have the unrestricted right to discontinue and terminate this agreement by giving written notice of its intention so to do to the City or Township as the case may be, at least thirty (30) days prior to the time of such termination. (c) The notices mentioned in paragraphs (a) and (b) may be served upon said City by delivering the same to the City Clerk and may be served upon the Township by delivering the same to the Township Clerk or by enclosing the same in a sealed envelope, addressed to the Township Clerk with his business address written thereon and depositing the same in the Post Office at Saginaw, Michigan, with postage fully prepaid and duly registered in accordance with the usages and practices of the United States Post Office Department.

7. This agreement shall be in effect from and after the 2d day of July, A. D. 1942, and is in substitution of and in lieu of an agreement heretofore entered into between the parties hereto on December 11, 1936, and expiring on July 2, 1942.

IN WITNESS WHEREOF the City and Township have caused this agreement to be executed on the date first above written and signed by its duly authorized agents in accordance with the statutes in such case made and provided. (Approved as to substance by the city manager, as to form by the city and township attorneys, and signed by the mayor and city clerk and by members of the township board).